

MQS MANAGEMENT, LLC
PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of MQS Management, LLC (“MQS” or the “Firm”). If you have any questions about the contents of this brochure, please contact David Babcock, the Chief Compliance Officer at (212) 685-3600 or dbabcock@mqscapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

For “Registered Investment Advisers”: Any reference to MQS as a registered investment adviser does not imply a certain level of skill or training.

Additional information about MQS also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Not Applicable.

Item 3: Table of Contents

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Item 4: Advisory Business

Item 4.A.

MQS Management, LLC (“**MQS**” or the “**Firm**”), a Delaware limited liability company, was formed in November 2007. Robert Gelfond is the principal owner of the Firm.

Item 4.B.

MQS is an investment management firm that provides advisory services to high-net worth individuals and institutions through privately offered pooled investment vehicles, MQS Capital Partners, L.P., a Delaware limited partnership (“**MQS Onshore**”), and MQS Offshore Fund, Ltd., a Cayman Islands exempted company (“**MQS Offshore**”) (together, the “**Funds**”), in a master-feeder structure into MQS Fund, Ltd. (the “**Master Fund**”).

The Firm’s investment objective is to achieve superior risk-adjusted absolute returns throughout all types of market environments by employing a strict systematic, quantitative trading model which will seek to identify opportunities in global currencies, commodities, global interest rates and related derivatives.

MQS does not limit its investment advice to only certain types of investments.

Item 4.C.

The Firm’s investment management and advisory services to the Funds are provided pursuant to the terms of the relevant offering memorandum and investors in the Fund cannot obtain services tailored to their individual specific needs.

Item 4.D.

MQS does not participate in a wrap fee program.

Item 4.E.

As of April 1, 2012, MQS manages approximately \$150,000,000 in advisory client assets on a discretionary basis. MQS does not manage any advisory client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

MQS receives a quarterly management fee calculated at 2% per annum of each limited partner’s capital account in MQS Onshore and paid quarterly in advance based on the value of each limited partner’s capital account as of the first day of each calendar quarter.

MQS Offshore pays to MQS a quarterly management fee of 2% per annum of the net assets of MQS Offshore as of the first business day of each calendar quarter.

Item 5.B.

MQS automatically deducts management fees from client accounts pursuant to authorization provided in the Investment Management Agreement with each Fund.

Item 5.C.

MQS is responsible for and will pay or cause to be paid its overhead expenses including: office rent; furniture and fixtures; stationery; secretarial/internal administrative services; organizational expenses; salaries; employee insurance and payroll taxes. All other expenses will be paid by the respective Fund and will include: the management fee; legal, compliance, audit, accounting and third party administrator fees and expenses; investment expenses such as commissions, research fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; insurance costs; the pro rata share of the expenses of the Master Fund; and any other expenses related to the purchase, sale, preservation or transmittal of assets. MQS has agreed to bear all organizational expenses; provided, however, that in the event the total net assets of the Master Fund, which include the assets of the Funds, equals or exceeds \$100 million, the Master Fund, either directly or indirectly through the Funds, will reimburse MQS for such organizational expenses over a 60 month period based on the relative assets of the Funds.

Item 5.D.

The Funds pay to MQS a quarterly management in advance, as set forth in Item 5A above.

Item 5.E.

Not Applicable. MQS or its supervised persons are not compensated for the sale of securities or other investment products, and mutual funds.

Item 6: Performance-Based Fees and Side-by-Side Management

Each limited partner's capital account in MQS Onshore, annually allocates 20% of each share of the net profits to the capital account of the General Partner, if any, subject to a loss carry-forward provision. Except for "new issues," the net profit or net loss of MQS Onshore (including realized and unrealized gains and losses) will be allocated to each limited partner and the General Partner in accordance with the ratio of their respective capital account balances.

MQS will also receive an annual performance fee equal to 20% of the net profits (including unrealized gains), if any, allocable to each share of MQS Offshore, subject to a loss carry-forward provision.

Performance fees are not charged at the Master Fund level for the Funds.

Item 7: Types of Clients

MQS provides discretionary investment management services to high-net worth individuals and institutional clients through the Funds, as described in Item 4.B.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Item 8.A.

MQS employs a model that relies upon a proprietary forecasting algorithm incorporating macro-economic statistics to obtain price forecasts for each market traded. The model will generate a specific price target for each product over a specified time horizon. The model is quantitative in nature utilizing strictly fundamental inputs which encourage the algorithm to buy when the trading value appears low and sell when the trading value appears high relative to an inherent fair value calculation for each market. The model does not consider technical factors such as moving averages, chart patterns or other similar factors often found in other quantitative strategies. The model does not actively seek to profit from carry trades or similar strategies involving a long high yield currency/short low yield currency posture and will seek balance between high and low yielding currencies. The MQS model and strategy differs markedly from quantitative global macro strategies that the Firm is aware of and, MQS believes that their model and strategy is uncorrelated to other participants in the space.

The Firm employs a sophisticated optimizer incorporating both the price forecast and risk analysis to generate trading signals which MQS believes result in the most effective risk/reward opportunities. The optimizer is intended to generate a diversified portfolio of both long and short positions initiated at optimal price levels. The model does not “chase” trades, rather, it embarks upon a re-optimization with respect to unexecuted orders. The optimizer has built in constraints to limit position size based upon scenario analysis of liquidity, volatility, and other factors.

The Funds invest globally with a primary focus in the developed countries with limited exposure to emerging markets. Leverage, including margin borrowing, will be employed to seek to achieve the Firm’s investment objective.

Item 8.B and Item 8.C.

An investment in the Funds may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment. The following risks should be carefully evaluated before making an investment.

Nature of Investments. The Firm will have broad discretion in making investments for the Funds. Investments will generally consist of commodities, currencies, futures, swaps and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently

difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the Fund's portfolio may fluctuate for any number of reasons including interest rate and currency fluctuations. No guarantee or representation is made that the Fund's investment objective will be achieved.

Model-Risk. The Firm utilizes various proprietary quantitative models to identify investment opportunities. There is a possibility that one or all of the quantitative models may fail to identify profitable opportunities at any time. Furthermore, they may incorrectly identify opportunities and these mis-identified opportunities may lead to substantial losses. The Firm has developed a number of tools to reduce the likelihood of such an occurrence. However, such a failure is possible and can cause adverse impact on the investment portfolio.

Use of Leverage. The Funds may utilize leverage. This results in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Firm may find it difficult or impossible to obtain leverage for the Funds. Since leveraging its assets may be a significant part of the investment strategy of the Funds, in such event the Funds could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Firm being forced to unwind positions quickly and at prices below what the Firm deems to be fair value for such positions.

Currency Investments. The Funds will invest a portion of its assets in currencies and instruments denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. The Fund however, will value its investments and other assets in U.S. dollars. To the extent unhedged, the value of the Fund's asset will fluctuate with U.S. dollar exchange rates as well as with price changes of the Fund's investments in the various local markets and currencies.

The Fund's investments that are in or denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. There are many factors that may affect currency values including the global economic environment, changes in governments' fiscal, monetary, legal and regulatory policies and other world-wide political developments.

Counterparty Risk. To the extent that the Funds invest in debt instruments, options, swaps, derivative or synthetic instruments, forward contracts, or other over-the-counter transactions (including certain equities), the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such

protections and expose the parties to the risk of counterparty default. Under certain conditions, the Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Fund could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Fund does business, or to which securities have been entrusted for custodial purposes.

Custody Risk. There are risks involved in dealing with the custodians or brokers who settle Fund trades, particularly with respect to non-U.S. investments. The Funds maintain custody accounts with their prime broker and custodian, UBS AG (the “**Prime Broker**”). Although the General Partner monitors the Prime Broker and believes that it is an appropriate custodian, there is no guarantee that the Prime Broker, or any other custodian that the Funds may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Funds assets, the Funds would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Funds and/or the Prime Broker may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Funds. The Prime Broker may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Funds as a result of the bankruptcy or insolvency of any such sub-custodian. The Funds may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Funds. Under certain circumstances, including certain transactions where the Funds’ assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Broker, or where the Funds’ assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Funds and hence the Funds could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Funds to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Funds may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Funds’ rights to its assets in the case of a bankruptcy or insolvency of any such party.

Systems and Operations Risk. The Funds depend on the Firm to develop and implement appropriate systems for the Fund's activities. The Fund relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain investments based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, certain of the Fund's and the Firm’s operations interface with or depend on systems operated by third parties, including its prime brokers and market counterparties and their sub-custodians and other service providers, including the Administrator, and the Fund or Firm may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and

cause inaccurate reports, which may affect the Fund's ability to monitor its investment portfolio and its risks.

The Fund's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments. The Fund's trade orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to the Firm, the Fund, its brokers, agents or other service providers or financial intermediaries. In such event, the Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, the Fund would not be able to achieve the desired market position, and might incur a loss in liquidating its position.

The Funds depend on the Firm to develop the appropriate systems and procedures to control operational risk arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund's operations. Such operational risks may cause the Fund to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or reputational damage. The Fund's business is highly dependent on its ability to process, on a daily basis, a number of transactions across numerous and diverse markets. Consequently, the Fund relies heavily on its financial, accounting and other data processing systems. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Fund's ability to properly manage the portfolio.

Options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Derivative Financial Instruments and Techniques. The Funds may invest in derivative financial instruments as part of a hedging strategy. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Fund's assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset); (3) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud, physical failure of communication or computer hardware or software); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative or forced liquidation by counterparties or custodians at unfavorable prices); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty). Use of derivatives and other techniques such as short sales involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which

the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited.

Commodity and Futures Contracts. Trading in commodity and futures contracts and options thereon are highly specialized activities which while they may increase the total return in the Fund's investments, may entail greater than ordinary investment risks.

Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Firm could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Risk Control Framework. No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Firm will achieve its objective. Target risk limits developed by the Firm may be based upon historical trading patterns for the securities and financial instruments in which the Funds invest. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Highly Volatile Markets. The prices of financial instruments in which the Funds may invest can be highly volatile. Price movements of stock options, forward contracts and other instruments in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouse.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make

markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Firm would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

Portfolio Turnover. The investment strategy of the Fund may require the Firm to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size.

Concentration of Investments. The Fund will not be subject to any significant limitations on the amount of Fund capital which may be committed to any one investment. Its objective will be to invest its capital in those situations which the Firm believes will offer the greatest risk-adjusted returns. Accordingly, the Fund may from time to time hold a few, relatively large (in relation to its capital) securities positions, with the result that a loss in any such position could have a material adverse impact on the Fund's capital.

Interest Rate Risk. The Fund is subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income instruments tends to decrease. Conversely, as interest rates fall, the market value of fixed income instruments tends to increase. This risk will be greater for long-term securities than for short-term securities. The Fund may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures, interest rate options and/or other hedging strategies. However, there can be no guarantee that the Firm will be successful in fully mitigating the impact of interest rate changes on the portfolios.

Relative Value Strategy Risk. The Funds intend to pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the Fund's trading positions were to fail to converge toward, or were to diverge further from, the Firm's expectations, the Fund may incur a loss. Even pure riskless arbitrage can result in significant losses if the arbitrage is not sustained (due, for example, to margin calls) until expiration, and the Fund will rarely engage in true arbitrage as opposed to relative value trading (which is inherently a higher-risk strategy).

In implementing "relative value" strategies the Fund will seek to reduce exposure to the risk of overall market price movements, but will be fully exposed to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence of its valuation models.

Exchange Traded Funds. Because exchange traded funds ("ETFs") (which are registered investment companies) are effectively portfolios of securities, the Firm believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. Investments by the Fund in industry or sector-specific ETFs, which are not as diversified as the market as a whole, are therefore subject to greater volatility. In addition to fees payable to the Firm, investments in ETFs are also subject to the fees and expenses of the ETF, which may include a management fee, other fund expenses, and a distribution fee.

It should be noted that the U.S. Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company.

Non-U.S. Securities. Investing in securities of non-U.S. Governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Business and Market Disruptions. Both the operations of the Partnership and the markets and investments in which the Partnership invests are subject to disruptions due to natural disasters such as floods, earthquakes, and other extreme weather conditions, and man-made catastrophes such as acts of terrorism and sabotage, and other extreme circumstances that are out of the control of the Partnership, such as power outages or failures, which cause Partnership prices of investments to behave erratically and to move in non-historical directions. Such disproportions may close markets or the Firm's access to such markets, causing substantial losses to the Partnership. Counterparties of the Partnership are also susceptible to business disruptions by a counterparty and may cause substantial losses to the Partnership as well.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions (held through its investment in the Master Fund), the Partnership may not generally disclose any of its positions, trades or otherwise describe the nature of positions or markets it is trading in to Limited Partners on an ongoing basis, although the General Partner, in its sole discretion, may permit such disclosure on a select basis to certain Limited Partners, if in its sole discretion it determines that there are sufficient confidentiality agreements and procedures in place.

Item 9: Disciplinary Information

MQS currently has no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. MQS is currently not applying to register as a broker-dealer and does not intend to.

Item 10.B.

Not Applicable. MQS, or any of its management persons, is not applying to register with the National Futures Association and does not intend to.

Item 10.C.

MQS Asset Management LLC serves as the General Partner to MQS Onshore.

Item 10.D.

Not Applicable. MQS and its supervised persons do not participate in the sale of securities or other related investment products of mutual funds.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Item 11.A.

Employees of MQS may only purchase and sell securities in accordance with the Firm's Code of Ethics to which all employees are subject. This policy is monitored by the Chief Compliance Officer.

Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics includes the following points:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions
- An employee cannot knowingly purchase or sell for any personal account any security, directly or indirectly, in such a way as to adversely affect a client's transactions.
- An employee cannot directly or indirectly purchase or sell (long or short) for any personal account any shares of a security that is on the Firm's restricted list.
- Employees must pre-clear all private placements in their personal accounts.
- Employees must acknowledge in writing having received and read a copy of the Code of Ethics.
- Any exceptions to the above need prior approval of the Chief Compliance Officer.

A copy of the Firm's Code of Ethics is available to investors and prospective investors upon request.

Item 11.B and Item 11.D.

MQS, as a fiduciary, endeavors to always make decisions in the best interest of the advisory clients if a conflict of interest arises. In order to prevent any conflict of interest, MQS employees are restricted from investing in client account investments and, therefore, are not able to recommend investments to clients in which any MQS employees invest in.

Item 12: Brokerage Practices

Item 12.A.1.

MQS may allocate transactions to broker-dealers for execution on markets/exchanges and at prices and commission rates that in the Firm's good faith judgment are in the best interest of its clients. MQS takes into consideration primarily available prices, brokerage commission rates, and other relevant factors including, but not limited to, execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security. Research furnished by brokers may include, but is not limited to: research reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment and other computer hardware for use in running software used in investment decision making; and other products or services that may enhance the Firm's investment decision making.

Some of these services are considered part of a "soft dollar" arrangement, as described in greater detail below. Where these services are provided by an executing broker-dealer, MQS may pay a brokerage commission in excess of that which another broker-dealer might have charged for effecting the same transaction if the Firm determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer.

MQS currently does not use commission dollars generated by client trades to pay for third-party research and brokerage products, but may choose to do so in the future. If the Firm does use soft dollars in the future, it will endeavor to use within the safe harbor permitted under Section 28(e) of the Securities and Exchange Act of 1934, as amended. If a product or service obtained with client commission dollars is both soft dollar eligible and ineligible, MQS will make a reasonable allocation of the cost which may be paid with soft dollars.

Item 12.A.2.

MQS does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Directed brokerage is not applicable to MQS.

Item 12.B.

MQS currently utilizes a master-feeder structure where all trades are done at the Master Fund level; therefore an aggregation and allocation policy is currently not applicable. However in the event that MQS takes on additional Advisory Clients, in the event that MQS should purchase securities for more than one account, the Firm will aggregate orders to get more favorable prices, lower brokerage commissions or more efficient execution. The Firm's authorized traders determine the appropriate brokers consistent with the Firm's duty to obtain best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

Item 13.A. and 13.B.

The Chief Compliance Officer will review the portfolio assets in the Funds and the values of the securities held by the Funds on a monthly basis or more frequently as circumstances warrant. The investment staff meets regularly to review and discuss portfolio status, potential investments and related issues.

Item 13.C.

Admiral Administration, Ltd. (the “**Administrator**”) will send monthly statements to clients identifying net asset value and reflecting the value of the Investors holdings in the respective Fund, opening and closing balance during the month, gains and losses, and return net of fees.

Item 14: Client Referrals and Other Compensation

Item 14.A.

Not applicable. MQS does not select or recommend broker-dealers for client transactions.

Item 14.B.

MQS currently utilizes the services of third-party marketers to solicit on behalf of the Funds. In exchange for a referral, the agreements allow for the third-party marketer to be paid an ongoing fee based upon the revenue generated by MQS from the referral’s investment. All arrangements of this nature are disclosed to investors and potential investors.

Item 15: Custody

To ensure compliance with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, MQS has retained a qualified custodian and the audited financial statements of the Funds are distributed within 120 days of the fiscal year-end. The Fund is audited annually by an independent certified public accounting firm that is both registered with, and subject to regular inspection by, the Public Companies Accounting Oversight Board. Financial statements of the Fund are prepared in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”). These reports are in written form and clients should carefully review those statements.

Item 16: Investment Discretion

MQS has full discretion to manage the Fund accounts. This authority is granted pursuant to an Investment Management Agreement (“**IMA**”) between MQS and each Fund and the Master Fund. Individual investors grant authority to the Fund to enter into an IMA with MQS by signing a subscription agreement.

Item 17: Voting Client Securities

Currently, MQS is not in the practice of owning shares and therefore proxy voting is currently not applicable. However, if should be relevant in the future based upon the Firm’s trading activities, as a matter of policy and as a fiduciary to its clients, MQS is responsible for voting proxies for portfolio securities consistent with the best economic interests of its clients. MQS understands and appreciates the importance of proxy voting. The Firm will vote all proxies in the best interests of its clients and investors (as applicable) and in accordance with the procedures outlined below (as applicable), unless otherwise mandated by an investment management agreement or applicable law (e.g. ERISA).

- All proxies sent to clients that are received by any employee (to vote on behalf of the clients) will be given to the Chief Compliance Officer covering the subject portfolio security.
- Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not.
- If no material conflict is identified pursuant to these procedures, the lead research analyst covering the subject security will make a decision on how to vote the proxy in question in accordance with the guidelines in put forth below.

Voting Guidelines: In the absence of specific voting guidelines mandated by a particular client account, MQS will endeavor to vote proxies in the best interests of each client account.

Investors that wish to obtain a record of the Firm’s proxy voting policy or proxy voting history can contact the Chief Compliance Officer.

Item 18: Financial Information

Item 18.A.

Not Applicable.

Item 18.B.

There are no conditions that impair the Firm's ability to meet its contractual and fiduciary commitments to its clients.

Item 18.C.

Not Applicable. The Firm has not been subject to a bankruptcy petition, past or pending.

Item 19: Requirements for State Registered Advisers

Not Applicable.